

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT General Services	(2) MEETING DATE 1/13/2015	(3) CONTACT/PHONE Machelle Vieux (805) 781-5200	
(4) SUBJECT Submittal of a Resolution of Intention to Surplus and Sell County-owned real property in the Unincorporated area of Cambria, and set auction date of April 21, 2015 to sell the commercial property at 900 Main Street in Cambria. District 2.			
(5) RECOMMENDED ACTION It is recommended that the Board approve the Resolution of Intention to Surplus and Sell County-owned Real Property in the Unincorporated Area of Cambria, and authorize the Chairperson to sign the Resolution, which will set a date of April 21, 2015 for the auction, and will direct the Clerk of the Board to publish legal notices of the auction.			
(6) FUNDING SOURCE(S) N/A	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$0.00	(9) BUDGETED? N/A
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Board Business (Time Est. ____)			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input checked="" type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP Attached	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: <u>9/1/2009, 12/13/2011, 5/6/2014</u>	
(17) ADMINISTRATIVE OFFICE REVIEW Emily Jackson			
(18) SUPERVISOR DISTRICT(S) District 2			

County of San Luis Obispo



TO: Board of Supervisors

FROM: General Services / Machelie Vieux
(805) 781-5200

DATE: 1/13/2015

SUBJECT: Submittal of a Resolution of Intention to Surplus and Sell County-owned real property in the Unincorporated area of Cambria, and set auction date of April 21, 2015 to sell the commercial property at 900 Main Street in Cambria. District 2.

RECOMMENDATION

It is recommended that the Board approve the Resolution of Intention to Surplus and Sell County-owned Real Property in the Unincorporated Area of Cambria, and authorize the Chairperson to sign the Resolution, which will set a date of April 21, 2015 for the auction, and will direct the Clerk of the Board to publish legal notices of the auction.

DISCUSSION

On July 7, 1978, the County purchased a 9,888 square foot lot at 900 Main Street in Cambria (APN 022-251-019) ("Main Street Property") for the purpose of designing and constructing a library building. A single-story, 2,331 square feet building was constructed on the Main Street Property in or around 1980 and served the community of Cambria as a library until November 2013. See Attachment 1 for a location map and Attachment 2 for an assessor's parcel map.

The Main Street Property outgrew its space requirements over the past decade, and Library staff worked with the Friends of the Cambria Library ("Friends") to find a solution to remedy the problem. It is a County policy that new library facilities can be considered when the community contributes half of the funds needed for the project.

In 2009, the Friends identified another property at 1043 Main Street in Cambria which had a building under construction as an option for the new library. As agreed with the Friends, the property at 1043 Main Street was purchased by the County on November 3, 2009 with the intention to complete the construction of the building to serve as a new library. The new Cambria Library was opened for operation on December 26, 2013.

On September 1, 2009, the County signed a Memorandum of Understanding (MOU) with the Friends that estimated the cost to finish the new Cambria library improvements and determined the amount of funds necessary to be raised by the Friends. On December 13, 2011, the MOU was replaced with a new MOU which revised, among other things, the timeline for fundraising by the Friends. The County and the Friends are each credited 50% of the net proceeds of the sale of the Main Street Property toward the fundraising goal for the new library. On November 4, 2014 the County signed a Second Memorandum of Understanding with the Friends, to document their respective final responsibilities (Attachment 3). The Second MOU was necessitated by the unknown timing of sale and unknown sales prices of the Main Street Property and Cornwall Street properties. The terms of the Second MOU acknowledge the receipt of the Cambria Friends' financial contribution, the proposed process for selling the Main Street Property and Cornwall Street properties, and the distribution of net proceeds after the sale of the above-mentioned properties.

The County has given notices to other government agencies of the availability of the Main Street Property, and no

agencies expressed an interest in purchasing the property. On May 6, 2014, the County Board of Supervisors approved the processing of a Land Use Element / Local Coastal Plan Amendment LRP2013-0015, to change the land use category of the Main Street Property from Public Facilities to Commercial Retail. On August 28, 2014, the County Planning Commission approved the same, and the California Coastal Commission approved Local Coastal Plan Amendment LCP-3-SLO-14-0839-3 on December 11, 2014.

Included with the sale of the Main Street Property is 0.58 commercial water Equivalent Dwelling Units (EDUs) allocated to APN 022-251-019. If a potential purchaser is interested in uses for the property that would require an increased water allocation, they may be interested in also acquiring the County's vacant lots at 790 Cornwall Street (APNs 022-123-003 and 022-123-022) that the County intends to auction immediately following the auction of the Main Street Property on April 21, 2015, unless the lots sell at the auction scheduled January 13, 2015. The Cornwall lots have a water Intent to Serve letter for 1.29 commercial EDUs that could be transferred to the Main Street Property, subject to approval of an application to the Cambria Community Services District. Hookup to this additional water allocation would not be allowed until the State 3 Water Emergency is lifted.

Approval of the attached Resolution of Intention to Surplus and Sell (Attachment 4) will declare the Board's intention to sell the lot and commercial building at 900 Main Street and will set the date of April 21, 2015 for a public auction, with written bids due by April 20, 2015 at 5:00 PM. The terms of the sale will be as follows:

- The minimum acceptable bid price will be \$540,000.
- A nonrefundable deposit of \$10,000 payable by cashier's check to the County of San Luis Obispo shall be required with the offer.
- The balance of the purchase price shall be payable in cash through escrow, and escrow shall close within 45 days following approval of the County Board of Supervisors.
- The property will be sold in as-is condition, with no repairs or reports provided by the County except a preliminary title report.
- No conditions of sale will be accepted, including financing conditions.
- Included with the property will be an easement of five (5.00) feet in width over the adjacent parcel (APN: 022-251-020), along the southeasterly property line of the Main Street Property, to accommodate the encroachment of the southeasterly building eave and to provide surface access to the property.
- Upon successful close of escrow, a real estate commission of three percent (3%) of the selling price, or an amount otherwise determined by California Government Code Section 25531 and 25532, shall be payable from the proceeds of sale to a selling broker who is instrumental in obtaining the offer to purchase, provided that the broker is identified at the time of the bid.
- County and purchaser shall pay their own closing costs, customary for San Luis Obispo County.
- Title to the property shall be transferred in the form of a grant deed.

The minimum bid has been proposed by staff based upon review of comparable sales data and an appraisal by a Member of the Appraisal Institute (MAI) certified appraiser. Written bids received before the deadline will be opened at the auction on April 21, 2015, followed by an opportunity for oral bidding. In the event that no written bids are received, no oral bidding will take place, and the auction will be rescheduled. The auction of the Main Street Property will be immediately followed by a second auction on April 21, 2015 of the County's vacant lots on Cornwall Street unless the lots have been sold at the auction scheduled for January 13, 2015.

The Main Street Property will be marketed by direct and/or electronic mail to real estate offices and a commission will be paid to the selling broker as described above. A sign will be placed on the property, and advertisements and legal notices will be placed in a local newspaper and on websites. A tour of the property and explanation of the bidding procedure will be scheduled on-site for purchasers and real estate agents prior to the auction. Interested parties may contact Linda Van Fleet (lvanfleet@co.slo.ca.us) or Shauna Dragomir (sdragomir@co.slo.ca.us) by email or may call County Real Property Services at (805) 781-5206.

OTHER AGENCY INVOLVEMENT/IMPACT

The Friends of the Cambria Library is a financial and supportive partner of the endeavor to bring a new, larger library to

the community of Cambria. The County Department of Planning and Building has issued a Notice of Exemption stating that the sale of the Main Street Property is categorically exempt from CEQA per Section 15312 (a)(b)(2). Said determination was filed on October 25, 2013 and certified as Environmental Determination 13-084. On October 24, 2013, the County Planning Commission filed the General Plan Conformity Report, finding that the sale of the Main Street Property is in conformity with the County General Plan. On May 6, 2014, the County Board of Supervisors approved the processing of a Land Use Element / Local Coastal Plan Amendment LRP2013-0015, to change the land use category of the Main Street Property from Public Facilities to Commercial Retail. On August 28, 2014, the County Planning Commission approved the same. On December 11, 2014, the California Coastal Commission approved Local Coastal Plan Amendment LCP-3-SLO-14-0839-3 to re-designate the zoning of the Main Street Property from Public Facilities to Commercial Retail.

FINANCIAL CONSIDERATIONS

The net proceeds from the sale of the Main Street Property will ultimately be determined by the demand of the current local real estate market and the final selling price. When the eventual sales price of the property is determined at the auction on April 21, 2015, the amounts due to the new library project and amounts refundable to the Friends of the Cambria Library will be determined in accordance with the Second Memorandum of Understanding between the County and the Friends of the Cambria Library. If the property were to sell for the minimum bid of \$540,000, the estimated net proceeds of sale would be approximately \$498,000, not including any carrying costs or repairs during the marketing period.

RESULTS

Approval of the attached Resolution of Intention to Surplus and Sell will allow County staff to begin marketing for sale the property at 900 Main Street. The sale will allow the net proceeds to be contributed toward the new, larger Cambria Library at 1043 Main Street to better serve the community of Cambria. This action will help the County achieve a Communitywide Result of a Livable Community by promoting lifelong learning improvements to our Library locations and programs.

ATTACHMENTS

1. Location Map
2. Assessor's Parcel Map
3. Second Memorandum of Understanding
4. Resolution of Intention to Surplus and Sell